



IDAHO DEPARTMENT OF FINANCE
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INVESTMENT ADVISER (IA) FIRM APPLICATION PROCEDURES AND INFORMATION

De minimus Exemption: Idaho Code Section 30-14-403 provides that any Investment Adviser Firm (IA) that does not have a place of business in Idaho and that has not had more than 5 Idaho clients during the preceding 12-month period is exempt from licensing as an IA. At such time as you have 6 Idaho clients, then you must make one of the following filings with this Department:

1. **Federally regulated firms:** NSMIA grants exclusive jurisdiction to the Securities and Exchange Commission ("SEC") for IA's with \$25 million or more under management. However, NSMIA allows the states to require IAs licensed by the SEC to file a notice as prescribed by the state. In Idaho, the notice filing should be filed through the Investment Adviser Registration Depository ("IARD"). The web address for this electronic filing is www.iard.com. The Idaho application fee is \$30. (notice filings expire on December 31 of each year). **Note:** please see IA representative information at the end of this document.
2. **State regulated firms:** IA's with less than \$25 million under management will be regulated exclusively at the state level. State regulated IA's are allowed to comply with the record-keeping, bonding and financial requirements of the IA's home state. Consequently, the following application requirements will apply:

Note: please see IA representative information at the end of this document.

A. An IA firm domiciled in the State of Idaho is required to file the following:

- i. **Items to be filed through the Investment Adviser Registration Depository (IARD).** Go to www.iard.com for instructions on how to obtain entitlement and make a filing:
(Note: When asking for entitlement to use the system, ask for entitlement for both IARD and CRD)
 - a) \$150 filing fee (licenses expire on December 31 of each year).
 - b) Form ADV Part IA, IB, and Part II (including all necessary Schedules)

For a free editable PDF version of the current Form ADV Part II go to:
http://www.nasaa.org/industry_regulatory_resources/Uniform_Forms/

For operator questions, please refer to the IARD Users Manual at www.iard.com/firm_users_man.asp or call the IARD Hotline at 1-240-386-4848. Also, frequently asked questions can be found at www.iard.com/system_faqs.asp

ii. Items to be filed directly with this Department:

- a) A \$25,000 Idaho Indemnity Bond for Investment Adviser;
- b) A balance sheet (dated within 90 days of your filing). Does not have to be audited;
- c) A copy of the form used as a contract with client; and
- d) Designate an officer of the firm as "**Qualifying Officer**." To do so, please submit the following
(NOTE –though not required by Idaho Statute, it is recommended that the qualifying officer become registered as a representative for the firm on CRD in order to maintain an active examination record):
 1. Name of, and title of office held by the qualifying officer. **This individual must be an officer of the firm.**

2. A qualifying officer must have passed either the Modified Series 65 **or** both the Modified Series 66 and the Series 7 unless the applicant has passed the old Series 65 or the old Series 66 prior to January 1, 2000 and has been registered with an investment adviser within the past two years. In this case, the applicant is grandfathered. If the applicant is considered grandfathered, the Series 7 is not required. These examinations are administered by the FINRA (formerly NASD).

Waivers: The examination requirement does not apply to an applicant who currently holds one of the following professional designations:

- Certified Financial Planner (CFP) granted by the Certified Financial Planners Board of Standards;
- Chartered Investment Counselor (CIC) granted by the Investment Counsel Association of America;
- Chartered Financial Consultant (ChFC) granted by the American College;
- Personal Financial Specialist (PFS) granted by the American Institute of Certified Public Accountants; and
- Chartered Financial Analyst (CFA) granted by the Association for Investment Management and Research.

B. An IA firm domiciled in another State that is required to be licensed in the State of Idaho is required to file the following. Please see de minimus exemption information provided in the first paragraph:

- i. **Items to be filed through the Investment Adviser Registration Depository (IARD).** Go to www.iard.com for instructions on how to obtain entitlement and make a filing:

(**Note:** When asking for entitlement to use the system, ask for entitlement for both IARD and CRD)

- a) \$150 filing fee (licenses expire on December 31 of each year)
- b) Form ADV Part IA, IB, and Part II (including all necessary Schedules)

For a free editable PDF version of the current Form ADV Part II go to:
http://www.nasaa.org/industry_regulatory_resources/Uniform_Forms/

- ii. **Items to be filed directly with this Department:**

- a) The same qualifying officer information as described in 2(A)(ii)(e) above.
(**Note:** we rely on the home state to regulate record-keeping, bonding and financial requirements)

For operator questions, please refer to the IARD Users Manual at www.iard.com/firm_users_man.asp or call the IARD Hotline at **1-240-386-4848**. Also, frequently asked questions can be found at www.iard.com/system_faqs.asp

PLEASE BE ADVISED THAT THE STATE OF IDAHO REQUIRES ADHERENCE TO THE INVESTMENT ADVISORS ACT OF 1940 AND THE RULES UNDER THE ACT WHICH MAY BE FOUND AT THE FOLLOWING WEB ADDRESSES: Please note that both addresses are case sensitive:

Investment Advisers Act of 1940
www.law.uc.edu/CCL/InvAdvAct/index.html

Rules Under the Investment Advisers Act of 1940
www.access.gpo.gov/nara/cfr/waisidx_00/17cfr275_00.html

Books and records requirements may be found at [Rule 275.204-2](#)

REPRESENTATIVE ("REP") INFORMATION:

Please refer to enclosed investment adviser rep information sheet for application procedures.

Federally regulated firms: IA reps whose place of business is located in Idaho must be licensed by the state.

State regulated firms: Any rep whom will be doing business in the state of Idaho must be licensed.

Dual registration exemption: Please see enclosed IA rep info sheet (Page 2, C) for a definition of this exemption.